EXHIBIT A
(EXHIBIT FILED UNDER SEAL)

The App Store

Promoting Innovation, Growth and Competition

Since its founding in 2008, Apple's App Store has been an incredible engine for economic growth and innovation.

When the App Store first launched, people relied on CD-ROMs from brick-and-mortar stores to share software with the world. Prices were steep, and retailers took a 50-70% commission on software developers wanted to distribute. In cases where software was being distributed over the Internet in 2008, other digital marketplaces had already established a 30 percent commission.

Apple cut the industry-standard commission roughly in half, while giving developers a much easier way to reach their customers. The result has been more innovation, more competition, and more opportunity for everyone.

SINCE THE LAUNCH OF THE APP STORE, AN ENTIRE INDUSTRY HAS BEEN BUILT AROUND APP DESIGN AND DEVELOPMENT.

The App Store supports more than 2.2 million U.S. jobs across all 50 states, 2.2 million jobs across Europe, and many more across every part of the world.
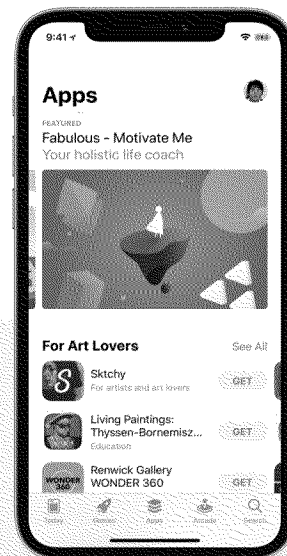
A recent App Store study conducted by economists at Analysis Group found that in 2020 the App Store facilitated more than $640 billion dollars in billings and sales.

THE APP STORE HASN'T LIMITED INNOVATION OR COMPETITION — IT'S TURBOCHARGED IT.

Following a 16-day trial, a federal judge found that Apple is not a monopolist and recognized the value of Apple's relentless innovation and commitment to privacy and security, which benefit users and developers alike.

Today, developers have lots of choices for distributing their apps, from other mobile app stores to smart TVs to gaming consoles to the open Internet — which Apple supports with Safari.

Apple works every day to earn developers' business with an ever-growing array of app development tools. Its ambition is a thriving ecosystem, and it has every interest in supporting a robust developer community.

These third-party developers have enjoyed tremendous success on the App Store. Third-party apps compete right alongside Apple's, and are frequently even more popular with our users.

Apple builds in a very small number of apps with core functionality on iPhone, like the Phone, Camera, Messages, and Mail apps, because we want users to be able to use their iPhone right out of the box. In addition, Apple offers only a handful of its own services, and these face competition across all categories.

Further, Apple confronts fiercely competitive markets across its product line-up — particularly in smartphones, where Apple is in a street fight with Samsung, Xiaomi, and others.

$640B+
The App Store facilitated $643 billion in billings and sales in 2020.

$120B+
Since 2005, Apple has invested more than $120 billion in research and development. $60 billion of that was in the last three years alone.

1.8M
The App Store has gone from just 500 apps at launch to 1.8 million apps today.

2.2M+
The App Store supports more than 2.2 million U.S. jobs across all 50 states.

85%
For 85% of apps on the App Store, 100% of the app's revenue goes to the developer.

$260B+
Apple has paid developers selling digital goods and services more than $260 billion since the App Store launched in 2008.

The App Store - Epic v. Apple Trial

Proven Competition

Following a 16-day trial in 2021, a U.S. federal court ruled in favor of Apple on 9 of 10 claims brought by Epic Games. The court confirmed that Apple is not a monopolist and that App Store distribution and in-app purchasing provide pro-competitive benefits for both developers and consumers.

THE RULING CONCLUDED:

✔ Human App Review enhances the security and privacy of the iOS ecosystem and security and privacy are legitimate business justifications and competitive differentiators for Apple.

✔ Apple's agreements with developers are lawful and Apple is entitled to charge a commission.

✔ Consumers are loyal to Apple because they like our products, not because they are "locked in."

✔ The App Store competes with other mobile game app marketplaces, and faces increasing competition from non-mobile and cloud-based platforms.

✔ There is no evidence Apple self-preferences native apps.

The Court Stated:

" *Success is not illegal. The final trial record did not include evidence of other critical factors, such as barriers to entry and conduct decreasing output or decreasing innovation in the relevant market.*

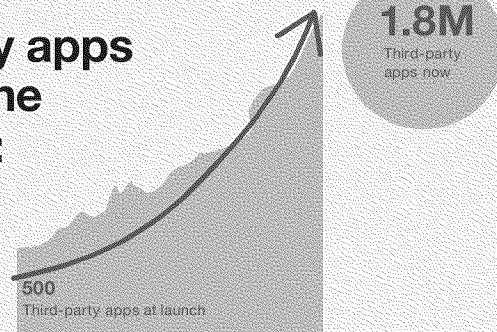*Security and privacy have remained a competitie differentiator for Apple.*

By providing these protections, Apple provides a safe and trusted user experience on iOS, which encourages both users and developers to transact freely and is mutually beneficial.

There is no dispute in the record that developers like Epic Games have benefited from Apple's development and cultivation of the iOS ecosystem, including its devices and underlying software.

The Court cannot ultimately conclude that Apple is a monopolist under either federal or state antitrust laws. "

90%
More than 90% of developers on the App Store are small developers.

113%
Revenue for smaller developers active on the App Store increased by 113% over the past two years.

2x
While earnings for all developers have grown, earnings of small developers have exceeded that of large developers by more than double.

Third-party apps thrive on the App Store:

1.8M
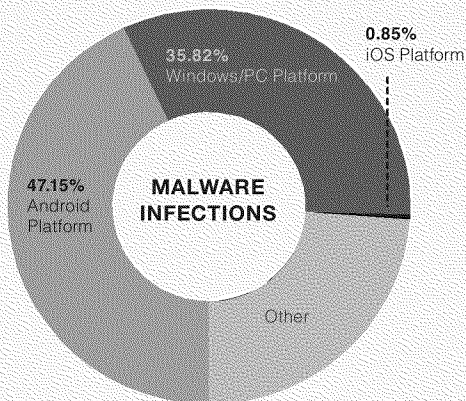Third-party apps now

500
Third-party apps at launch

✔ Since the App Store launched, the number of third-party apps has grown from 500 to more than 1.8 million - compared to 60 apps offered by Apple.

✔ 99.99% of iOS apps are made by third-party developers.

✔ Third-party apps are among the most successful on the App Store. Across many app types, Apple's own apps account for a relatively small share of app usage among iPhone users. This is the case even though some Apple apps are preinstalled to enable core functionality of the device.

Source:
https://www.apple.com/newsroom/pdfs/the-success-of-third-party-apps-on-the-app-store.pdf

The App Store - Safety & Privacy

The App Store is a critical part of how Apple protects consumer privacy and security.

Apple is constantly introducing new features that put users in control of their own data. A team reviews every app on the store to make sure they're free from harmful, unsafe, or illegal content — such as malware, viruses, or tools to secretly snoop on consumers' banking information, health data, location, photos, or messages.

35.82%
Windows/PC Platform

0.85%
iOS Platform

47.15%
Android Platform

MALWARE INFECTIONS

Other

Source:
https://networks.nokia.com/solutions/threat-intelligence/infographic#section-iot-botnets

In 2021:

<1%

A study from the U.S. Department of Homeland Security found that less than 1% of mobile malware attacks happened on iOS.

With the new Privacy Label, every app must disclose its data-sharing practices. Apple sets high standards for user privacy, and the result has been a quality app marketplace where users' security is protected.

AT APPLE, WE BELIEVE THAT A USER'S DATA BELONGS TO THEM. With App Tracking Transparency (ATT), apps are required to get the user's permission before tracking their data across apps or websites owned by other companies, giving users the choice whether to share their data and with whom.

IN ADDITION TO APP REVIEW, APPLE'S IN-APP PURCHASING MECHANISM IS THE TRUSTED WAY FOR CONSUMERS TO MAKE PAYMENTS ON THEIR IPHONE OR IPAD.

Touch ID and Face ID ensure only authorized users can make payments. And these people know in turn that their financial information stays safe with Apple. They don't have to hand it over to every individual app developer, which would open the door to fraud and data breaches.

Apple also provides parental controls, allowing parents to manage what their children see, do and spend on their device. **Ask to Buy** lets parents control what their kids download from iTunes, iBooks, or the App Store, whether paid or free, including in-app purchases. Parents can use **Screen Time** to schedule time away and set daily time limits for app categories, while restricting settings for explicit content, purchases and downloads, and privacy.

Protecting App Store Users: Fraud Prevention in 2021

✔ Nearly $1.5 billion in fraudulent transactions stopped

✔ 34,500+ apps rejected for containing hidden or undocumented features

✔ 170 million fraudulent customer accounts deactivated

✔ 3.3 million + stolen credit cards prevented from purchasing

✔ 118 million attempted account creations rejected

✔ Nearly 600,000 accounts banned from ever transacting again

100%

100% of apps are automatically screened for known malware.

802K+

802,000 developer accounts were terminated for fraud or distribution of illegal content.

157K+

More than 157,000 apps were rejected for being spam, copycats, or misleading users.

500+

Every week, more than 500 dedicated experts around the world working in 81 languages review more than 100K apps.

343K+

More than 343,000 app submissions were rejected last year for violating privacy guidelines.

1.6M+

The App Store's review process stopped over 1.6 million risky and vulnerable apps and app updates from defrauding users.

The App Store - Supporting Developers

The App Store ensures that every developer has an opportunity to compete.

The App Store offers every single developer, no matter how large or how small, the same opportunity to reach App Store customers in 175 countries, across 40 languages.

Apple invests relentlessly in developers on the App Store, with tools like compilers, programming languages, and more than 250,000 essential software building blocks called APIs. That's not to mention in-person and virtual trainings on app development, and support for developers to test and upgrade their apps, harness the power of augmented reality and machine learning, and reach users.

For example, the more than 10,000 graduates of Apple's Developer Academies, which offer classes for new and aspiring developers, have launched over 1,500 apps. Entrepreneur Camps and App Accelerators have helped even more developers take their apps from good to great, with a special focus on resources for women and communities of color. Apple's Worldwide Developers Conference and Tech Talks allow developers to learn about the latest technologies and connect with Apple experts.

The App Store also has a global marketing team dedicated to powering app discovery and engagement – informing customers while also driving downloads for developers.

App Store Fast Facts: App Store Economics

DEVELOPERS HAVE MORE INNOVATIVE AND HELPFUL TOOLS THAN EVER, BUT THE VAST MAJORITY DON'T PAY ANY COMMISSION TO APPLE.

In fact, developers can choose from eight business models: free, free with advertising, free with physical goods and services, free with in-app purchases, free with subscription, paid, reader, and cross-platform. Apple only collects a commission if you sell an app for a fee or sell a digital good or service through your app.

What's more, the vast majority of apps that are subject to a commission only pay 15% — a benefit of the recently-launched App Store Small Business program.

Over the past 14 years, Apple has never raised the commission or added a single fee. Instead, we've created new exemptions and lowered commissions.

THE COMMISSION APPLE COLLECTS ON THE SALE OF DIGITAL GOODS AND SERVICES FUELS THESE INVESTMENTS IN DEVELOPERS' SUCCESS ON THE APP STORE.

Running a digital store at a global scale is a significant investment. Apple has made a nearly 15 year investment in facilitating global payments and commerce so that customers enjoy a seamless and successful buying experience.

Apple boasts industry-leading success in retaining customers. Advanced anti-fraud and abuse measures help keep customers safe and avoid losses for developers, and Apple continues to add to the markets where the company administers tax on behalf of developers, with 55+ covered today.

The commission also reflects the App Store's investment in the quality and security of the App Store, and the value of Apple's intellectual property.

SINCE THE LAUNCH OF IAP IN 2009

↑ **Developer revenue from all App Store transactions:**

3,700%

As of FY2019

Industry Standard

Only apps that generate more than $1 million in annual revenue pay the industry-standard 30% commission.
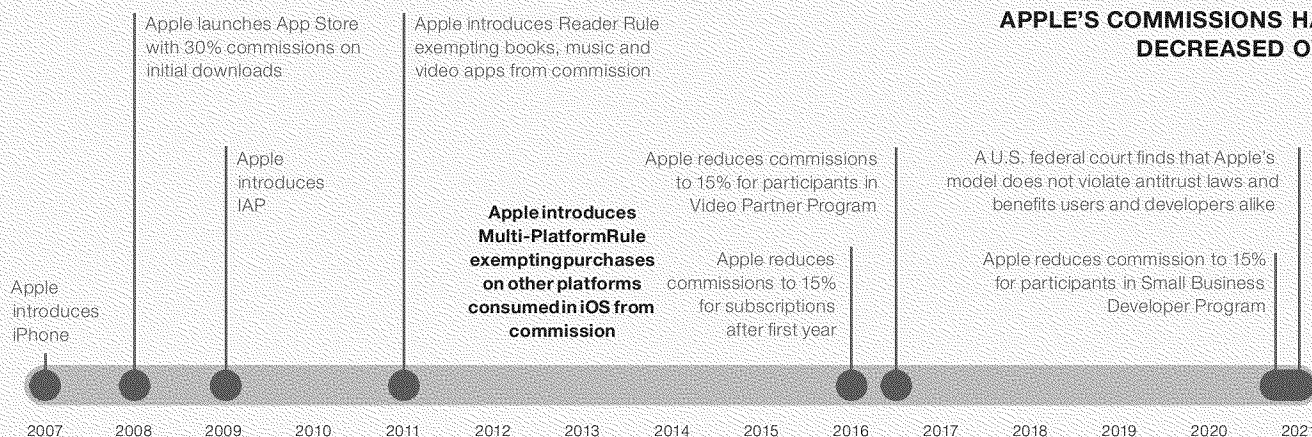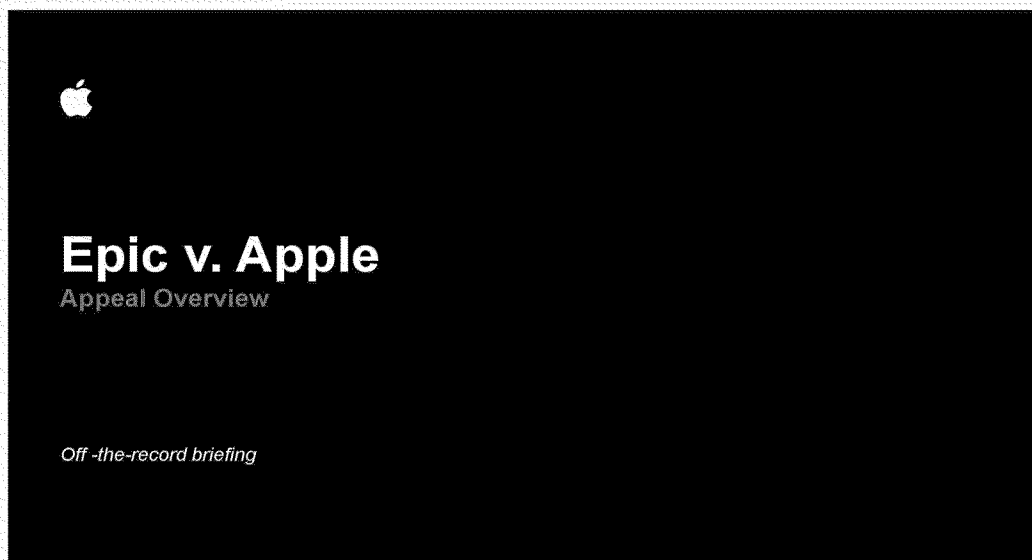
85%

85% of apps pay **NO** commission to Apple.

APPLE'S COMMISSIONS HAVE ONLY DECREASED OVER TIME

Apple launches App Store with 30% commissions on initial downloads

Apple introduces Reader Rule exempting books, music and video apps from commission

A U.S. federal court finds that Apple's model does not violate antitrust laws and benefits users and developers alike

Apple introduces IAP

Apple reduces commissions to 15% for participants in Video Partner Program

Apple reduces commission to 15% for participants in Small Business Developer Program

Apple introduces Multi-PlatformRule exemptingpurchases on other platforms consumedin iOS from commission

Apple reduces commissions to 15% for subscriptions after first year

Apple introduces iPhone

| 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |

EXHIBIT B
(EXHIBIT FILED UNDER SEAL)

Epic v. Apple
Appeal Overview

Off -the-record briefing

Litigation Timeline

Event	Date
Hotfix and Lawsuit	August 13, 2020
Trial	May 3 – 24, 2021
District Court Decision	September 10, 2021
Ninth Circuit Stay of Injunction	December 8, 2021
Ninth Circuit Oral Argument	November 14, 2022
Ninth Circuit Decision	Likely April – December 2023

2

Trial Recap

- Late 2019 – Epic hatched "Project Liberty" to challenge Apple's 30% commission

- August 13, 2020 – Epic triggered its "hotfix" to "circumvent" Apple's In-App Purchase System

- Hours later, Epic sued Apple, seeking a sweeping injunction; Apple countersued for damages

- May 2021 – The district court held a 16-day bench trial featuring 26 witnesses and 520 exhibits

  - Epic's case relied heavily on experts, whom the court largely found unreliable

  - The court also heard from Apple's Phil Schiller, Craig Federighi, and Tim Cook

3

Apple Prevailed at Trial

The Court found for Apple on 9 of 10 claims brought by Epic, including all antitrust claims

- The Court found that Apple is not a monopolist in any relevant market: "The Court cannot ultimately conclude that Apple is a monopolist under either federal or state antitrust laws"
- The Court found that App Store distribution and IAP provide significant procompetitive benefits for both developers and consumers
- The Court found that App Review enhances the security and privacy of the iOS ecosystem
- The Court found that Apple's agreements with developers are lawful and that Apple is entitled to charge commissions for access to its platform

The Court ordered Apple to revise the guideline on in-app communications. It did so under California's Unfair Competition Law (UCL). In December 2021, the Ninth Circuit stayed this injunction, saying Apple was likely to succeed on appeal.

4

Key Issues on Appeal

	YGR Ruling	CA9 Ruling:
Epic's Appeal		
Are the challenged DPLA provisions (App Store distribution and IAP) unlawful agreements in restraint of trade?	No	
Did Apple unlawfully maintain a monopoly in any relevant market?	No	
Did Apple unlawfully "tie" app distribution to IAP?	No	
Apple's Cross-Appeal		
Are the anti-steering provisions in Apple's Guidelines "unfair" under California law?	Yes	

Apple Confidential–Internal Use Only

Further Possible Appeals

En Banc

A party may seek rehearing from the panel (the judges that heard the appeal) or the en banc court (a larger group of judges from the Ninth Circuit)

— A party has 14 days to ask for rehearing, unless the Court grants an extension

Supreme Court

A party also may seek to appeal to the Supreme Court

— A party has 90 additional days to ask the Supreme Court to hear the case, unless the Court grants an extension

6

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